Drive Down Labor Costs: A Guide to Reduce Risk and Liability

By creating a centralized work environment, a marketplace of coordinated competition, and agency community oversight, ShiftWise empowers your team to drive down liability and labor costs, creating one of the largest money-saving opportunities in your organization year over year.

Four ways to reduce risk and liability

1. Automate processes
   It probably feels like everyone is trying to automate everything right now. There’s a good reason for that—it works. Hospital CEOs believe efficiency is the key to survival, making automation critical to healthcare getting faster and more cost-effective while maintaining quality.

Contingent workforce automation—FREE
   With so many needs, prioritizing projects is a must. Contingent staffing is one area where you can save thousands of labor hours and hundreds of thousands of dollars—and it doesn’t have to cost a penny.
Here’s a sampling of what you can automate in your contingent workforce:

- Contingent staff orders
- Agency communication
- Compliance
- Reporting
- Invoicing

2. Create KPIs to measure against

It’s typical for a contingent workforce operation to lack visibility into what is and is not working. That simply doesn’t cut it in the modern era of healthcare. KPIs, or key performance indicators, give regular insight into how an operation is doing in key areas that lead to better internal and vendor performance.

For example, you could assume that you’re overpaying for services, but have concerns about lowering prices for fear of not filling shifts.

Setting KPIs to benchmark against and utilizing system data aggregated from anonymous healthcare system users will tell an exact story and make the decision simple.

3. In-house VMS or MSP?

Most healthcare systems are running contingent workforce operations without automation or managed service. That’s a problem. Paper, pen, phones, and fax machines are inefficient, lack data, and operate in fiscal darkness relative to the available options.

VMS and MSP programs drive efficiency by providing tools that help fill openings faster with higher-quality:

- Per Diem Fill Rate
- Per Diem Bill Rates

Reported health system usage of various approaches to contingent workforce management:

- 15.5% In-house, proprietary technology
- 2.7% Don’t Know
- 9.1% Vendor Management System (VMS)
- 4.5% Managed Service Provider (MSP)
- 68.2% In-house, manual process
ity candidates. Reporting, better access to talent, and process improvements all lead to a more efficient operation that saves time and money.

Both VMS and MSP offer efficiency improvements, but which one to use depends on the needs of the health system. The chief driver of whether or not to use VMS directly or engage an MSP generally comes down to how much control is desired.

With an in-house VMS, the health system is choosing to stay in control and manage all aspects of their contingent workforce using VMS technology. With an MSP, you are hiring a company to essentially manage your contingent staffing. It’s more of a hands-off approach.

Because of this difference, it’s common to think of VMS as the technology approach and MSP as the service-oriented approach, but that’s not an accurate assessment. MSPs typically use a third-party or proprietary VMS to operate their programs. And VMS programs offer various levels of service to support the health system. For example, ShiftWise provides multiple layers of service, including account managers, supplier relations, customer service reps, training, and consultative services.

4. A strategic approach increases value
An efficient contingent workforce management program has value that extends beyond managing temporary workers.

Through the use of KPIs and real-time reporting, a health facility can make strategic decisions about workforce management, including, but not limited to, the following:

- Where overtime can be reduced or eliminated
- Where a full-time position should be created
- Where quality and cost can be improved through vendor performance metrics

“ShiftWise is actually part of our strategic plan. We have a meeting every Thursday with our CFO and our director of HR where we go through and look at our open positions. We also match it to our ShiftWise reports to make sure that those vacancies are real vacancies, and we can see, ‘Hey, we’re using a lot of hours in a certain department. Do we have enough positions posted in that department?’”

—Ian Quinn, Nursing Resource Coordinator, Weiss Memorial Hospital
Why prioritizing contingent workforce management makes sense

**Time savings:** Improving efficiency saves time. One hospital we studied saved over 1,000 labor hours in a year when they automated their contingent workforce program.

**Cost containment/savings:** From time savings alone, one can see the potential cost savings. Additionally, there is the potential for rate reductions when using agency staff as well as the ability to better utilize in-house resources for further savings.

**Transparency and visibility:** Real-time reporting, KPI tracking, and a strategic approach all lend themselves to incredible visibility into contingent workforce activities. From staffing managers to C-suite executives, the transparency gives everyone powerful decision-making tools.

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**About ShiftWise**

Leading health care systems nationwide click ShiftWise to lower costs, ensure compliance and improve quality when using flexible, temporary and contract professionals. With an easy to use, Web-based suite of applications and services that are highly flexible to the needs of each client, ShiftWise maintains a broad client base across the entire spectrum of health care providers and includes some of the most clinically advanced health care systems in the U.S. ShiftWise is based in Portland, OR. More information about ShiftWise can be found at [www.shiftwise.com](http://www.shiftwise.com).